

PERAC AUDIT REPORT



Braintree Contributory Retirement System



JAN. 1, 2012 - DEC. 31, 2015



TABLE OF CONTENTS

Letter from the Executive Director	1
Explanation of Findings and Recommendations.....	2
Statement of Ledger Assets and Liabilities.....	3
Statement of Changes in Fund Balances	4
Statement of Receipts.....	5
Statement of Disbursements.....	6
Investment Income	7
Schedule of Allocation of Investments Owned.....	8
Supplementary Investment Regulations	9
Notes to Financial Statements:	
Note 1 - Summary of Plan Provisions	10
Note 2 - Significant Accounting Policies	17
Note 3 - Supplementary Membership Regulations.....	19
Note 4 - Administration of the System	23
Note 5 - Actuarial Valuation and Assumptions.....	24
Note 6 - Membership Exhibit	26

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

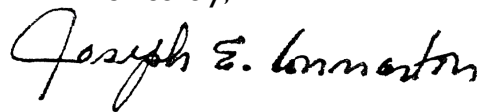
February 27, 2017

The Public Employee Retirement Administration Commission has completed an examination of the Braintree Retirement System pursuant to G.L. c. 32, § 21. The examination covered the period from January 1, 2012 to December 31, 2015. This audit was conducted in accordance with the accounting and management standards established by the Public Employee Retirement Administration Commission in regulation 840 CMR 25.00. Additionally, all supplementary regulations approved by PERAC and on file at PERAC are listed in this report.

In our opinion, the financial records are being maintained and the management functions are being performed in conformity with the standards established by the Public Employee Retirement Administration Commission with the exception of those noted in the findings presented in this report.

In closing, I acknowledge the work of examiners Michael Pasternak, Kevin McCarthy, and George Nsia who conducted this examination, and express appreciation to the Board of Retirement and staff for their courtesy and cooperation.

Sincerely,



Joseph E. Connarton
Executive Director



EXPLANATION OF FINDINGS AND RECOMMENDATIONS

I. Review of Board Minutes and Board Member Attendance:

A review of the board minutes revealed the lack of term expiration dates of the mayoral appointees. Neither of the mayoral appointees have expiration dates for their terms. This is a contradiction of G.L. c. 32, § 20(4)(c).

Recommendation: The system must comply with the above cited section of c.32 which clearly states “The mayor in any other city, the board of selectmen in town shall appoint two members for a period of three years, a third and fourth member who shall be elected by the members in or retired from service of such system... for such term, not exceeding three years.”

Board Response:

The Board has requested that the Mayor set definitive term dates for the Mayoral Appointees and he has acted on that request. The two Mayoral Appointees have been appointed for three-year terms set to expire November 21, 2019.

2. Member Contributions:

Members’ contributions were sampled to determine that the correct rates are being assigned and withheld, and that the additional 2% deduction is withheld from those members who make over \$30,000 annually and were hired after January 1, 1979. The following observations were made:

- Two members are having the 2% deduction incorrectly computed resulting in excess withholdings.
- An employee indicated s/he is retired, yet s/he is not and therefore should contribute to either the retirement system or OBRA.
- Two additional employees were labeled as non-pensionable in error and should contribute to either the retirement system or OBRA.

Recommendation: The System must comply with G.L. c. 32, § 22(1)(b), and PERAC Memo #43/1999, which discusses the additional 2% deductions. A determination must be made on the membership status of the three employees in question.

Board Response:

The Retirement Office works closely with the Treasurer’s office and there is mutual cooperation. In two of the examples above, the employees were from the School Department. Often Retirees from other c.32 Boards return to work and therefore retirement deductions are not taken out. OBRA deductions are now being taken.

Since moving to the new payroll system and then programming the bi-weekly deductions for some groups yet not for others, there have been some programming issues. The Treasurer is working with the Payroll software company to determine if there is a utility that can be run to determine if ALL members are being assessed the 2% correctly. However, since the last audit, the Town’s payroll software company was acquired by Acella based out of Oregon. The Town is still actively pursuing this problem with the new owners to see if something can be done to resolve this issue.

EXPLANATION OF FINDINGS AND RECOMMENDATIONS (Continued)

FINAL DETERMINATION:

PERAC Audit staff will follow up in six (6) months to ensure appropriate actions have been taken regarding all findings.

STATEMENT OF LEDGER ASSETS AND LIABILITIES

		AS OF DECEMBER 31,			
		2015	2014	2013	2012
Net Assets Available For Benefits:					
Cash	\$	3,512,759	\$ 3,826,186	\$ 2,941,580	\$ 2,728,742
Pooled Domestic Equity Funds		40,891,900	41,594,079	41,356,429	35,622,160
Pooled International Equity Funds		31,050,868	33,120,540	32,041,881	17,980,052
Pooled Domestic Fixed Income Funds		42,380,440	44,271,499	43,400,346	55,387,418
Pooled International Fixed Income Funds		3,640,106	4,222,932	3,554,934	0
Pooled Alternative Investment Funds		1,112,305	1,258,113	1,221,939	1,108,810
Pooled Real Estate Funds		9,807,973	8,809,121	6,310,328	5,725,964
Hedge Funds		8,148,642	8,303,073	7,863,515	6,987,249
PRIT Core Fund		26,626,714	27,418,367	26,890,057	23,422,923
Prepaid Expenses		19,868	15,628	11,648	8,224
Accounts Receivable		124,816	64,102	79,528	163,694
Accounts Payable		(82,532)	(77,992)	(91,062)	(59,794)
Total		<u>\$ 167,233,859</u>	<u>\$ 172,825,649</u>	<u>\$ 165,581,123</u>	<u>\$ 149,075,443</u>
Fund Balances:					
Annuity Savings Fund	\$	46,836,427	\$ 44,342,129	\$ 41,684,111	\$ 40,212,817
Annuity Reserve Fund		11,393,497	11,957,157	12,146,397	11,592,642
Pension Fund		2,774,843	2,576,669	2,517,087	2,255,331
Military Service Fund		1,513	1,512	1,510	1,509
Expense Fund		0	0	0	0
Pension Reserve Fund		106,227,579	113,948,182	109,232,018	95,013,145
Total		<u>\$ 167,233,859</u>	<u>\$ 172,825,649</u>	<u>\$ 165,581,123</u>	<u>\$ 149,075,443</u>

STATEMENT OF CHANGES IN FUND BALANCES

	Annuity Savings Fund	Annuity Reserve Fund	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total All Funds
Beginning Balance (2012)	\$38,106,641	\$11,563,801	\$1,963,576	\$1,507	\$0	\$83,660,908	\$135,296,433
Receipts	3,993,309	338,305	8,127,170	2	957,995	15,609,701	29,026,482
Interfund Transfers	(1,700,621)	1,700,621	4,257,464	0	0	(4,257,464)	0
Disbursements	(186,512)	(2,010,086)	(12,092,879)	0	(957,995)	0	(15,247,472)
Ending Balance (2012)	40,212,817	11,592,642	2,255,331	1,509	0	95,013,145	149,075,443
Receipts	4,024,750	358,359	8,601,331	2	1,168,866	18,653,589	32,806,897
Interfund Transfers	(2,222,319)	2,222,319	4,434,716	0	0	(4,434,716)	0
Disbursements	(331,137)	(2,026,923)	(12,774,291)	0	(1,168,866)	0	(16,301,217)
Ending Balance (2013)	41,684,111	12,146,397	2,517,087	1,510	0	109,232,018	165,581,123
Receipts	4,703,303	355,462	8,820,552	2	1,288,942	8,801,381	23,969,641
Interfund Transfers	(1,625,393)	1,625,393	4,085,216	0	0	(4,085,216)	0
Disbursements	(419,893)	(2,170,095)	(12,846,186)	0	(1,288,942)	0	(16,725,115)
Ending Balance (2014)	44,342,129	11,957,157	2,576,669	1,512	-	113,948,182	172,825,649
Receipts	4,338,568	346,899	9,190,509	2	1,269,649	(3,506,447)	11,639,181
Interfund Transfers	(1,357,689)	1,357,651	4,214,194	0	0	(4,214,157)	0
Disbursements	(486,581)	(2,268,211)	(13,206,529)	0	(1,269,649)	0	(17,230,971)
Ending Balance (2015)	\$46,836,427	\$11,393,497	\$2,774,843	\$1,513	\$0	\$106,227,579	\$167,233,859

STATEMENT OF RECEIPTS

FOR THE YEAR ENDING DECEMBER 31,				
	2015	2014	2013	2012
Annuity Savings Fund:				
Members Deductions	\$ 4,098,254	\$ 4,059,146	\$ 3,696,246	\$ 3,582,096
Transfers from Other Systems	167,448	514,198	254,238	162,063
Member Make Up Payments and Re-deposits	(10,316)	73,686	(20,119)	142,129
Member Payments from Rollovers	27,273	11,448	37,389	62,678
Investment Income Credited to Member Accounts	55,909	44,826	56,996	44,343
Sub Total	<u>4,338,568</u>	<u>4,703,303</u>	<u>4,024,750</u>	<u>3,993,309</u>
Annuity Reserve Fund:				
Investment Income Credited to the Annuity Reserve Fund	<u>346,899</u>	<u>355,462</u>	<u>358,359</u>	<u>338,305</u>
Pension Fund:				
3 (8) (c) Reimbursements from Other Systems	246,512	225,333	198,333	207,762
Received from Commonwealth for COLA and Survivor Benefits	172,869	201,792	205,818	227,921
Pension Fund Appropriation	8,771,129	8,393,426	8,197,180	7,691,487
Recovery of 91A Overearnings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub Total	<u>9,190,509</u>	<u>8,820,552</u>	<u>8,601,331</u>	<u>8,127,170</u>
Military Service Fund:				
Investment Income Credited to the Military Service Fund	2	2	2	2
Expense Fund:				
Investment Income Credited to the Expense Fund	<u>1,269,649</u>	<u>1,288,942</u>	<u>1,168,866</u>	<u>957,995</u>
Pension Reserve Fund:				
Federal Grant Reimbursement	54,614	62,365	58,296	64,745
Interest Not Refunded	5,436	137	9,951	617
Miscellaneous Income	5,359	13	973	2,192
Excess Investment Income/(Loss)	<u>(3,571,856)</u>	<u>8,738,866</u>	<u>18,584,369</u>	<u>15,542,146</u>
Sub Total	<u>(3,506,447)</u>	<u>8,801,381</u>	<u>18,653,589</u>	<u>15,609,701</u>
Total Receipts, Net	<u>\$ 11,639,181</u>	<u>\$ 23,969,641</u>	<u>\$ 32,806,897</u>	<u>\$ 29,026,482</u>

STATEMENT OF DISBURSEMENTS

FOR THE YEAR ENDING DECEMBER 31,				
	2015	2014	2013	2012
Annuity Savings Fund:				
Refunds to Members	\$ 93,105	\$ 267,069	\$ 224,779	\$ 124,615
Transfers to Other Systems	393,476	152,823	106,358	61,897
Sub Total	<u>486,581</u>	<u>419,893</u>	<u>331,137</u>	<u>186,512</u>
Annuity Reserve Fund:				
Annuities Paid	2,268,211	2,153,636	2,026,923	1,842,077
Option B Refunds	0	16,459	0	168,008
Sub Total	<u>2,268,211</u>	<u>2,170,095</u>	<u>2,026,923</u>	<u>2,010,086</u>
Pension Fund:				
Pensions Paid:				
Regular Pension Payments	8,776,584	8,465,037	8,099,544	7,605,855
Survivorship Payments	706,971	688,681	715,167	720,122
Ordinary Disability Payments	261,998	254,974	265,207	220,552
Accidental Disability Payments	1,871,740	1,890,499	1,897,412	1,856,122
Accidental Death Payments	985,085	969,341	977,888	965,858
Section 101 Benefits	91,550	55,902	59,425	55,530
3 (8) (c) Reimbursements to Other Systems	369,180	395,281	623,878	521,290
State Reimbursable COLA's Paid	143,422	126,470	135,770	147,551
Sub Total	<u>13,206,529</u>	<u>12,846,186</u>	<u>12,774,291</u>	<u>12,092,879</u>
Expense Fund:				
Salaries	181,201	181,402	177,942	176,577
Legal Expenses	14,270	4,997	13,225	17,958
Medical Expenses	160	0	0	119
Travel Expenses	4,347	2,138	3,207	4,488
Administrative Expenses	24,651	20,277	19,074	21,762
Actuarial Services	3,500	12,450	0	9,375
Education and Training	2,190	1,620	1,655	1,605
Furniture and Equipment	732	2,580	2,063	1,060
Management Fees	860,068	882,201	777,769	551,749
Custodial Fees	69,898	66,591	69,517	70,754
Consultant Fees	72,836	72,258	71,190	70,000
Service Contracts	25,859	32,759	24,014	23,353
Fiduciary Insurance	9,937	9,670	9,209	9,195
Sub Total	<u>1,269,649</u>	<u>1,288,942</u>	<u>1,168,866</u>	<u>957,995</u>
Total Disbursements	<u>\$ 17,230,971</u>	<u>\$ 16,725,115</u>	<u>\$ 16,301,217</u>	<u>\$ 15,247,472</u>

INVESTMENT INCOME

FOR THE YEAR ENDING DECEMBER 31,				
	2015	2014	2013	2012
Investment Income Received From:				
Cash	\$ 6,326	\$ 5,777	\$ 5,444	\$ 6,048
Equities	2,339	2,507	1,969	0
Pooled or Mutual Funds	<u>3,228,293</u>	<u>4,065,711</u>	<u>3,148,225</u>	<u>3,060,733</u>
Total Investment Income	<u>3,236,958</u>	<u>4,073,995</u>	<u>3,155,638</u>	<u>3,066,781</u>
Plus:				
Realized Gains	1,801,289	3,271,881	1,886,327	741,100
Unrealized Gains	<u>17,148,466</u>	<u>17,061,452</u>	<u>27,217,581</u>	<u>21,699,045</u>
Sub Total	<u>18,949,755</u>	<u>20,333,333</u>	<u>29,103,908</u>	<u>22,440,144</u>
Less:				
Realized Loss	(83,526)	(57,100)	(58,015)	(7,160)
Unrealized Loss	<u>(24,002,584)</u>	<u>(13,922,131)</u>	<u>(12,032,941)</u>	<u>(8,616,974)</u>
Sub Total	<u>(24,086,110)</u>	<u>(13,979,230)</u>	<u>(12,090,956)</u>	<u>(8,624,135)</u>
Net Investment Income	<u>(1,899,397)</u>	<u>10,428,098</u>	<u>20,168,591</u>	<u>16,882,791</u>
Income Required:				
Annuity Savings Fund	55,909	44,826	56,996	44,343
Annuity Reserve Fund	346,899	355,462	358,359	338,305
Military Service Fund	2	2	2	2
Expense Fund	<u>1,269,649</u>	<u>1,288,942</u>	<u>1,168,866</u>	<u>957,995</u>
Total Income Required	<u>1,672,459</u>	<u>1,689,232</u>	<u>1,584,222</u>	<u>1,340,645</u>
Net Investment Income	(1,899,397)	10,428,098	20,168,591	16,882,791
Less: Total Income Required	<u>1,672,459</u>	<u>1,689,232</u>	<u>1,584,222</u>	<u>1,340,645</u>
Excess Income (Loss) To The Pension Reserve Fund	<u>\$ (3,571,856)</u>	<u>\$ 8,738,866</u>	<u>\$ 18,584,369</u>	<u>\$ 15,542,146</u>

SCHEDULE OF ALLOCATION OF INVESTMENTS OWNED

(percentages by category)

AS OF DECEMBER 31, 2015		
	MARKET VALUE	PERCENTAGE OF TOTAL ASSETS
Cash	\$ 3,512,759	2.1%
Pooled Domestic Equity Funds	40,891,900	24.5%
Pooled International Equity Funds	31,050,868	18.6%
Pooled Domestic Fixed Income Funds	42,380,440	25.4%
Pooled International Fixed Income Funds	3,640,106	2.2%
Pooled Alternative Investment Funds	1,112,305	0.7%
Pooled Real Estate Funds	9,807,973	5.9%
Hedge Funds	8,148,642	4.9%
PRIT Core Fund	<u>26,626,714</u>	<u>15.9%</u>
Grand Total	<u>\$ 167,171,707</u>	<u>100.0%</u>

For the year ending December 31, 2015, the rate of return for the investments of the Braintree Retirement System was -1.06%. For the five-year period ending December 31, 2015, the rate of return for the investments of the Braintree Retirement System averaged 6.26%. For the 31-year period ending December 31, 2015, since PERAC began evaluating the returns of the retirement systems, the rate of return on the investments of the Braintree Retirement System was 8.56%.

The composite rate of return for all retirement systems for the year ending December 31, 2015 was 0.91%. For the five-year period ending December 31, 2015, the composite rate of return for the investments of all retirement systems averaged 7.49%. For the 31-year period ending December 31, 2015, since PERAC began evaluating the returns of the retirement systems, the composite rate of return on the investments of all retirement systems averaged 9.14%.

SUPPLEMENTARY INVESTMENT REGULATIONS

The Braintree Retirement System submitted the following supplementary investment regulations, which were approved by the Public Employee Retirement Administration Commission on:

November 17, 2010

16.08

The Braintree Retirement Board is authorized to invest in Lexington Capital Partners VII. The Manager will comply with 16.03(2), with the exception of the terms listed in this supplemental regulation. The provision pertaining to indemnification in 16.02(5) will not apply to this investment. To the extent that it provides annual client reviews and key person notification under the terms of its operating agreement, the Manager is exempted from 840 CMR 16.07(2) and (4). To the extent it follows the fiduciary standards set forth in the operating agreement, the Manager is exempted from any provision of 17.02, 17.03, and 17.04 that may be deemed to conflict with this. The Manager will not engage in any of the Prohibited Transactions set forth in 21.01 and the provisions of this section are not applicable to any of the fund's underlying investments.

April 10, 2003

17.04 (6)

The Braintree Retirement Board may enter into a contract with Eubel Brady & Suttman Asset Management and the trading activities of that firm shall not be construed as violating Investment Regulation 17.04 (6). While there may be some instances where some trades executed on behalf of the Board do not have priority over those executed for the firm's interests, there will be no instances where the firm's interests have priority over those of the Board. The requirement that the Board be given adequate opportunity to act on a recommendation by the manager before the firm acts on its own behalf is of limited practicality since the Board will be giving the manager discretionary authority to execute trades based on their professional judgment. In summary, the Board sees no substantial basis to question whether EBS will be in violation of the fundamental requirement that "personal transactions do not operate adversely to the board's interest."

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF PLAN PROVISIONS

The plan is a contributory defined benefit plan covering all Braintree Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The Teachers' Retirement Board administers the pensions of such school employees.

ADMINISTRATION

There are 104 contributory retirement systems for public employees in Massachusetts. Each system is governed by a retirement board and all boards, although operating independently, are governed by Chapter 32 of the Massachusetts General Laws. This law in general provides uniform benefits, uniform contribution requirements and a uniform accounting and funds structure for all systems.

PARTICIPATION

Participation is mandatory for all full-time employees. Eligibility with respect to part-time, provisional, temporary, seasonal or intermittent employment is governed by regulations promulgated by the retirement board, and approved by PERAC. Membership is optional for certain elected officials.

There are 4 classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the State Police. The other 3 classes are as follows:

Group 1:

General employees, including clerical, administrative, technical and all other employees not otherwise classified.

Group 2:

Certain specified hazardous duty positions.

Group 4:

Police officers, firefighters, and other specified hazardous positions.

NOTES TO FINANCIAL STATEMENTS (Continued)

MEMBER CONTRIBUTIONS

Member contributions vary depending on the most recent date of membership:

Prior to 1975:	5% of regular compensation
1975 - 1983:	7% of regular compensation
1984 to 6/30/96:	8% of regular compensation
7/1/96 to present:	9% of regular compensation
1979 to present:	an additional 2% of regular compensation in excess of \$30,000.

In addition, members of Group 1 who join the system on or after April 2, 2012 will have their withholding rate reduced to 6% after achieving 30 years of creditable service.

RATE OF INTEREST

Interest on regular deductions made after January 1, 1984 is a rate established by PERAC in consultation with the Commissioner of Banks. The rate is obtained from the average rates paid on individual savings accounts by a representative sample of at least 10 financial institutions.

RETIREMENT AGE

The mandatory retirement age for some Group 2 and Group 4 employees is age 65. Most Group 2 and Group 4 members may remain in service after reaching age 65. Group 4 members who are employed in certain public safety positions are required to retire at age 65. There is no mandatory retirement age for employees in Group 1.

SUPERANNUATION RETIREMENT

A person who became a member before April 2, 2012 is eligible for a superannuation retirement allowance (service retirement) upon meeting the following conditions:

- completion of 20 years of service, or
- attainment of age 55 if hired prior to 1978, or if classified in Group 4, or
- attainment of age 55 with 10 years of service, if hired after 1978, and if classified in Group 1 or 2.

A person who became a member on or after April 2, 2012 is eligible for a superannuation retirement allowance (service retirement) upon meeting the following conditions:

- attainment of age 60 with 10 years of service if classified in Group 1, or
- attainment of age 55 with 10 years of service if classified in Group 2, or
- attainment of age 55 if classified in Group 4.

NOTES TO FINANCIAL STATEMENTS (Continued)

AMOUNT OF BENEFIT

A member's annual allowance is determined by multiplying average salary by a benefit rate related to the member's age and job classification at retirement, and the resulting product by his creditable service. The amount determined by the benefit formula cannot exceed 80% of the member's highest three year (or five year as discussed below) average salary. For veterans as defined in G.L. c. 32, s. 1, there is an additional benefit of \$15 per year for each year of creditable service, up to a maximum of \$300.

For employees who become members after January 1, 2011, regular compensation is limited to 64% of the federal limit found in 26 U.S.C. 401(a)(17). In addition, regular compensation will be limited to prohibit "spiking" of a member's salary to increase the retirement benefit.

- For persons who became members prior to April 2, 2012, Average Salary is the average annual rate of regular compensation received during the 3 consecutive years that produce the highest average, or, if greater, during the last 3 years (whether or not consecutive) preceding retirement.
- For persons who became members on or after April 2, 2012, Average Salary is the average annual rate of regular compensation received during the 5 consecutive years that produce the highest average, or, if greater, during the last 5 years (whether or not consecutive) preceding retirement.
- The Benefit Rate varies with the member's retirement age. For persons who became members prior to April 2, 2012 the highest rate of 2.5% applies to Group 1 employees who retire at or after age 65, Group 2 employees who retire at or after age 60, and to Group 4 employees who retire at or after age 55. A .1% reduction is applied for each year of age under the maximum age for the member's group. For Group 2 employees who terminate from service under age 55, the benefit rate for a Group 1 employee shall be used.
- For persons who became members on or after April 2, 2012 and retire with less than 30 years of creditable service, the highest rate of 2.5% applies to Group 1 employees who retire at or after age 67, Group 2 employees who retire at or after age 62, and to Group 4 employees who retire at or after age 57. A .15% reduction is applied for each year of age under the maximum age for the member's group.
- For persons who became members on or after April 2, 2012 and retire with more than 30 years of creditable service, the highest rate of 2.5% applies to Group 1 employees who retire at or after age 67, Group 2 employees who retire at or after age 62, and to Group 4 employees who retire at or after age 57. A .125% reduction is applied for each year of age under the maximum age for the member's group.

DEFERRED VESTED BENEFIT

A participant who has attained the requisite years of creditable service can elect to defer his or her retirement until a later date. Certain public safety employees cannot defer beyond age 65. All participants must begin to receive a retirement allowance or withdraw their accumulated deductions no later than April 15 of the calendar year following the year they reach age 70½.

NOTES TO FINANCIAL STATEMENTS (Continued)

WITHDRAWAL OF CONTRIBUTIONS

Member contributions may be withdrawn upon termination of employment. The interest rate for employees who first become members on or after January 1, 1984 who voluntarily withdraw their contributions with less than 10 years of service will be 3%. Interest payable on all other withdrawals will be set at regular interest.

DISABILITY RETIREMENT

The Massachusetts Retirement Plan provides 2 types of disability retirement benefits:

ORDINARY DISABILITY

Eligibility: Non-veterans who become totally and permanently disabled by reason of a non-job related condition with at least 10 years of creditable service (or 15 years creditable service in systems in which the local option contained in G.L. c. 32, s. 6(1) has not been adopted).

Veterans with ten years of creditable service who become totally and permanently disabled by reason of a non-job related condition prior to reaching “maximum age”. “Maximum age” applies only to those employees classified in Group 4 who are subject to mandatory retirement.

Retirement Allowance: For persons who became members prior to April 2, 2012, the benefit is equal to the accrued superannuation retirement benefit as if the member was age 55. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 55, he or she will receive not less than the superannuation allowance to which he or she is entitled.

For persons in Group 1 who became members on or after April 2, 2012, the benefit is equal to the accrued superannuation retirement benefit as if the member was age 60. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 60, he or she will receive not less than the superannuation allowance to which he or she would have been entitled had they retired for superannuation.

For persons in Group 2 and Group 4 who became members on or after April 2, 2012, the benefit is equal to the accrued superannuation retirement benefit as if the member was age 55. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 55, he or she will receive not less than the superannuation allowance to which he or she would have been entitled had they retired for superannuation.

NOTES TO FINANCIAL STATEMENTS (Continued)

ACCIDENTAL DISABILITY

Eligibility: Applies to members who become permanently and totally unable to perform the essential duties of the position as a result of a personal injury sustained or hazard undergone while in the performance of duties. There are no minimum age or service requirements.

Retirement Allowance: 72% of salary plus an annuity based on accumulated member contributions, with interest. This amount is not to exceed 100% of pay. For those who became members in service after January 1, 1988 or who have not been members in service continually since that date, the amount is limited to 75% of pay. There is an additional pension of \$846.12 per year (or \$312.00 per year in systems in which the local option contained in G.L. c. 32, s. 7(2)(a)(iii) has not been adopted), per child who is under 18 at the time of the member's retirement, with no age limitation if the child is mentally or physically incapacitated from earning. The additional pension may continue up to age 22 for any child who is a full time student at an accredited educational institution. For systems that have adopted Chapter 157 of the Acts of 2005, veterans as defined in G.L. c. 32, s. 1 receive an additional benefit of \$15 per year for each year of creditable service, up to a maximum of \$300.

ACCIDENTAL DEATH

Eligibility: Applies to members who die as a result of a work-related injury or if the member was retired for accidental disability and the death was the natural and proximate result of the injury or hazard undergone on account of which such member was retired.

Allowance: An immediate payment to a named beneficiary equal to the accumulated deductions at the time of death, plus a pension equal to 72% of current salary and payable to the surviving spouse, dependent children or the dependent parent, plus a supplement of \$846.12 per year, per child (or \$312.00 per year in systems in which the local option contained in G.L. c. 32, s. 9(2)(d)(ii) has not been adopted), payable to the spouse or legal guardian until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

The surviving spouse of a member of a police or fire department or any corrections officer who, under specific and limited circumstances detailed in the statute, suffers an accident and is killed or sustains injuries while in the performance of his duties that results in his death, may receive a pension equal to the maximum salary for the position held by the member upon his death. In addition, an eligible family member may receive a one-time payment of \$150,000.00 from the State Retirement Board. This lump sum payment is also available to the family of a public prosecutor in certain, limited circumstances.

NOTES TO FINANCIAL STATEMENTS (Continued)

DEATH AFTER ACCIDENTAL DISABILITY RETIREMENT

Effective November 7, 1996, Accidental Disability retirees were allowed to select Option C at retirement and provide a benefit for an eligible survivor. For Accidental Disability retirees prior to November 7, 1996, who could not select Option C, if the member's death is from a cause unrelated to the condition for which the member received accidental disability benefits, a surviving spouse will receive an annual allowance of \$6,000. For Systems that accept the provisions of Section 28 of Chapter 131 of the Acts of 2010, the amount of this benefit is \$9,000. For Systems that accept the provisions of Section 63 of Chapter 139 of the Acts of 2012, the amount of this benefit is \$12,000.

DEATH IN ACTIVE SERVICE

Allowance: An immediate allowance equal to that which would have been payable had the member retired and selected Option C on the day before his or her death. For a member who became a member prior to April 2, 2012 whose death occurred prior to the member's superannuation retirement age, the age 55 benefit rate is used. For a member classified in Group 1 who became a member on or after April 2, 2012 whose death occurred prior to the member's superannuation retirement age, the age 60 benefit rate is used. If the member died after age 60, the actual age is used. For a member classified in Group 2 or Group 4, whose death occurred prior to the member's minimum superannuation retirement age, the benefit shall be calculated using an age 55 age factor. The minimum annual allowance payable to the surviving spouse of a member in service who dies with at least two years of creditable service is \$3,000 unless the retirement system has accepted the local option increasing this minimum annual allowance to \$6,000, provided that the member and the spouse were married for at least one year and living together on the member's date of death.

The surviving spouse of such a member in service receives an additional allowance equal to the sum of \$1,440 per year for the first child and \$1,080 per year for each additional child until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

COST OF LIVING

If a system has accepted Chapter 17 of the Acts of 1997, and the Retirement Board votes to pay a cost of living increase (COLA) for that year, the percentage is determined based on the increase in the Consumer Price Index used for indexing Social Security benefits, but cannot exceed 3.0%. Section 51 of Chapter 127 of the Acts of 1999, if accepted, allows boards to grant COLA increases greater than that determined by CPI but not to exceed 3.0%. Only a certain portion of a retiree's total allowance is subject to a COLA. The total COLA for periods from 1981 through 1996 is paid for by the Commonwealth of Massachusetts.

Under the provisions of Chapter 32, Section 103(j) inserted by Section 19 of Chapter 188 of the Acts of 2010, systems may increase the maximum base on which the COLA is calculated in multiples of \$1,000. For many years the COLA base was calculated based upon the first \$12,000 of a retiree's allowance. Now the maximum base upon which the COLA is calculated varies from system to system. Each increase in the base must be accepted by a majority vote of the Retirement Board and approved by the legislative body.

NOTES TO FINANCIAL STATEMENTS (Continued)

METHODS OF PAYMENT

A member may elect to receive his or her retirement allowance in one of 3 forms of payment.

Option A: Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member's death.

Option B: A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided, however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.

Option C: A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who is has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable "pops up" to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

ALLOCATION OF PENSION COSTS

If a member's total creditable service was partly earned by employment in more than one retirement system, the cost of the "pension portion" is allocated between the different systems pro rata based on the member's service within each retirement system. In certain circumstances, if a member received regular compensation concurrently from two or more systems on or after January 1, 2010, and was not vested in both systems as of January 1, 2010, such a pro-rata may not be undertaken. This is because such a person may receive a separate retirement allowance from each system.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Public Employee Retirement Administration Commission.

Cash accounts are considered to be funds on deposit with banks and are available upon demand.

Short Term Investments are highly liquid investments that will mature within twelve months from the date of acquisition.

Investments are reported at their fair value. Securities traded on recognized exchanges are valued at the most recent sales price at year end. If no sale was reported, the mean of the bid and asked price is used when available, or the most recent bid price. Mutual, commingled and pooled funds are valued based on the net asset or unit value at year end. Real estate and alternative investments are valued based on estimates provided by the managers of those respective investments. Purchases and sales of securities are reflected on the date the trade is initiated. Realized gain or loss is largely based on the difference between the cost or the value at the prior year end and the funds realized upon liquidation. Dividend income is generally recorded when received. Interest income is recorded as earned on an accrual basis. Income from alternative investments is recorded as reported by the managing partner. Appreciation or depreciation in the value of investments consists of the unrealized gains and losses reported as the difference between the previous period and the current value.

The system makes estimates and assumptions that affect the reported values of assets and liabilities and the reported amounts added and deducted during the reporting periods. The fair value of real estate and alternative investment holdings are generally estimated in the absence of reliable exchange values. The actual funds realized upon liquidation may differ from these estimates.

The provisions of Massachusetts General Laws Chapter 32, § 23(2) generally govern the investment practices of the system. The Board retains an investment consultant to closely monitor the implementation and performance of their investment strategy and advise them of the progress toward full funding of the system. That strategy seeks to balance the exposure to common deposit and investment risks related to custody, credit concentrations, interest rate and foreign currency fluctuations.

Operating expenses include the ordinary and necessary cost of investment and professional services and the other miscellaneous administrative expenses of the system.

NOTES TO FINANCIAL STATEMENTS (Continued)

The Annuity Savings Fund is the fund in which members' contributions are deposited. Voluntary contributions, re-deposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance.

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The Expense Fund contains amounts transferred from investment income for the purposes of administering the retirement system.

The Pension Fund contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance.

The Pension Reserve Fund contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Any profit or loss realized on the sale or maturity of any investment or on the unrealized gain of a market valued investment as of the valuation date is credited to the Pension Reserve Fund. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, and Special Military Service Credit Fund is credited to this Reserve account.

The Investment Income Account is credited with all income derived from interest and dividends of invested funds. At year-end the interest credited to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund is distributed from this account and the remaining balance is transferred to the Pension Reserve Fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS

The Braintree Retirement System submitted the following supplementary membership regulations, which were approved by the Public Employee Retirement Administration Commission on:

Membership:

January 6, 2004:

1. Membership is mandatory for all* hired or appointed employees of the Town of Braintree who are employed twenty (20) hours or more per week on a regular basis for a period of time exceeding six (6) months, with the exception of those employees who attain the age of 70, upon which membership becomes voluntary.
2. Those Employees whose salaries are funded through a Federal or State Grant and are employed for twenty (20) hours or more per week are allowed membership into the System. All departments with Grant Employees shall reimburse the Braintree Retirement System on an annual basis of 9% of the total Grant Employees' salary.

Town of Braintree teachers who qualify for membership to Massachusetts Teachers' Retirement System are excluded from the Braintree Retirement System.

Creditable Service:

January 27, 2014:

Purchase Of Past Non-Membership Service

Members of the System may only purchase and receive credit for past non-membership service rendered in a member unit of the System consistent with the provisions of M.G.L. c. 32, § 4(2)(c). Pursuant to M.G.L. c. 32, § 3(5), if the past service was rendered under the jurisdiction of another retirement system, such service may only be purchased if it was rendered in a temporary, provisional or substitute capacity, provided that the individual was excluded from membership in the other retirement system. All prior non-membership service shall be calculated with 173 hours being the equivalent of one (1) month of creditable service.

January 6, 2004:

1. Credit will be granted on the basis of one (1) year, for a member in service who is employed in a full time capacity, as mandated for that position. (see addendum)
2. In the case of school employees whose position requires them to work from approximately September 01 to approximately June 30, said employees shall receive one (1) month of creditable service for each full month the employee is receiving regular compensation. Said employees shall be granted one (1) full year of service credit if they return to that position the following September. They shall be granted credit only for the months worked if they do not return after summer break.
3. For a member in service who is employed in part-time capacity throughout their entire career while an employee of the Town of Braintree, said employee will receive one year of creditable service for each full calendar in which the employee is receiving regular compensation for said service.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

4. For a member in service who is employed in both a part-time capacity and full time capacity simultaneously, the member shall be pensioned on both positions but shall receive no more than one year of full time service for each calendar year.

5. Five (5) years maximum credit will be allowed to reserve or permanent intermittent police officers, or permanent intermittent or call firefighters, if they gain employment in a qualified position eligible for membership to the system, consistent with the provision of M.G.L. c. 32 § 4(2) (b).

Addendum: Service Credit:

Full time Positions Qualify as:

- Clerical, and Department Heads - Seven (7) hour days; Thirty Five (35) hour work week,
- Laborers - Eight (8) hour days; Forty (40) hour work week
- Crossing Guards - Four (4) hour days; Twenty (20) hour work week
- School Cafeteria Staff -Six (6) hour days; Thirty (30) hour work week.

Prior Service/Makeups:

January 27, 2014:

1. When purchasing prior part-time service, if total hours worked cannot be obtained, then a W-2 shall be supplied by the applicant. An attempt should be made to acquire the Wage and Salary form from the Human Resource Department, or Head of the prior department for which the member worked. The Board should attempt to assess the hourly wage, divide by the total earned on the W-2 form and determine the yearly hours worked.

January 6, 2004:

1. Former Comprehensive Employment Training Act (CETA) Employees who have provided service to the Town of Braintree, and can provide documentation of same, are eligible for membership in the Braintree Retirement System if they meet current requirements for membership.

2. Make-up payments are allowed for members who previously worked less than part-time and were ineligible for membership. Credit will be prorated as it relates to the position held at time of prior service. Prior service credit shall not be granted for a partial month.

3. Make-up payments of prior service shall be received in a lump sum payment, or in weekly installments with the repayment period not to exceed two years, except cases of hardship as determined by the Board. Once the agreement is made to repay no further interest shall be accrued.

4. Make-up payments of prior military service shall be received in a lump sum payment, or in minimum weekly installments of \$35, with the repayment period not to exceed five years, except in cases of hardship as determined by the Board.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

January 27, 2014:

I. Upon written request, and proper documentation of prior service, prior service for permanent-intermittent police officer, or permanent intermittent or call firefighters who are subsequently appointed to the respective department as a permanent full time employee, shall be granted credit for each full month served upon proper payment, [up to the maximum allowed by law]. If a W-2 or payroll records can be supplied, the makeup calculation will be based on the records provided. In the absence of payroll records, the annual figure of \$5,000 shall be used pursuant to *George Grimes v. Malden Ret. Bd. v. PERAC*. Buyback interest shall be charged prospectively from June 21, 2013.

Deductions shall be withheld from all members' payroll checks in accordance with M.G.L. ch.32, §22(1).

Buy Back of prior service formula:

Examples:

An employee works a total of 480 hours as an intermittent school lunch staffer. S/he requests to buy this time back when she becomes permanent lunch staff.

Calculation: $480 \text{ hours} / 6 \text{ hours in a day} / 21.6 \text{ work days in a month} = 3 \text{ months of creditable service to be granted}$

An employee works a total of 1,850 hours as a part-time (non member) clerical and now has been made full time clerical.

Calculation: $1,850 \text{ hours} / 7 \text{ hours in a day} / 21.6 \text{ work days in a month} = 12 \text{ months of creditable service to be granted}$

An employee works a total of 480 hours as an intermittent school lunch staffer. S/he becomes a laborer and requests to buy this prior service time as a school lunch staffer.

Calculation: $480 \text{ hours} / 6 \text{ hours in a day} / 21.6 \text{ work days in a month} = 3 \text{ months of creditable service to be granted}$

Note: Service time to be granted based on position held at time of prior service, not based on new position.

Miscellaneous:

August 18, 2016:

Correction of Errors Under G.L. c. 32, § 20(5)(c)(2)

In all cases of correction of an underpayment or non-payment of a pension or benefit to a member or beneficiary of the Braintree Contributory Retirement System which results in a one time retroactive payment of benefits, such payment shall include interest for such period of underpayment or non-payment at the rate of regular interest under G.L. c. 32, § 22(6)(b).

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

In all cases of correction of an overpayment of a pension or benefit to a member or beneficiary of the Braintree Contributory Retirement System, the amount of overpayment shall be due from the member or beneficiary, along with interest for said period of overpayment at the rate of regular interest under G.L. c. 32, § 22(6)(b).

Pursuant to the judgment of the Supreme Judicial Court in *Herrick v. Essex Regional Retirement Board*, 465 Mass. 801 (2013) and PERAC Memorandum #32, 2013, said interest shall be deemed to be the actuarial equivalent of the adjustment to the pension or benefit as required by G.L. c.32, § 20(5)(c), which shall be defined as regular interest under G.L. c.32, § 22(6)(b).

Elections:

March 3, 2008:

The Braintree Retirement Board shall conduct a simultaneous election for the two elected members of the Board. Both terms shall commence on July 01, of the year of the election and the member shall serve for a term of three years.

In conducting the election the Board shall place all candidates who have been nominated in conformance with 840 CMR 7.04, on one ballot. All eligible candidates shall be listed on the ballot in an order determined by random drawing of the names of the candidates. In the event that only two candidates have been nominated, both candidates shall take office pursuant to 840 CMR 7.05, Election by Declaration. If there are more than two candidates, an election shall be conducted, and eligible voters shall be allowed to vote for not more than two candidates. Upon tabulation of the ballots, the two candidates who receive the most votes assume the third and fourth seats. In the event of a vacancy, a new election shall be conducted to fill a vacancy as soon as practicable and the member elected shall serve for the unexpired portion of the vacant term.

Disbursement of Funds:

January 6, 2004:

1. Disbursement of retiree payroll funds shall be authorized by signatures of any two (2) members of the Retirement Board, or one (1) member, and the Director per M.G.L. c.32 §23 (2)
2. Disbursement of any funds other than retiree payroll shall be authorized by signatures of the majority of the Board.

Travel Regulations:

September 27, 2002:

The Braintree Retirement System has adopted Travel Supplemental Regulations under the provisions of G.L. c. 7, § 50 and G.L. c. 32, § 21(4). Regulations available upon written request, and are also available on the PERAC website <http://www.mass.gov/perac/Braintree>.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - ADMINISTRATION OF THE SYSTEM

The System is administered by a five-person Board of Retirement consisting of the Director Of Municipal Finance who shall be a member ex-officio, a second member appointed by the governing authority, a third and fourth member who shall be elected by the members in or retired from the service of such system, and a fifth member appointed by the other four board members.

Appointed Member:	Peter J. Morin	Until a successor is named
Appointed Member:	Edward J. Spellman	Until a successor is named
Elected Member:	Gerald J. Kenny, Jr., Chairman	Term Expires: 6/30/17
Elected Member:	Vacant	Term Expires: 6/30/17
Appointed Member:	Roy W. Bjorlin	Term Expires: 7/23/18

The Board members are required to meet at least once a month. The Board must keep a record of all of its proceedings. The Board must annually submit to the appropriate authority an estimate of the expenses of administration and cost of operation of the system. The board must annually file a financial statement of condition for the system with the Executive Director of PERAC.

The investment of the system's funds is the responsibility of the Board. All retirement allowances must be approved by the Retirement Board. The PERAC Actuary performs verification prior to payment, unless the system has obtained a waiver for superannuation calculations allowing them to bypass this requirement. All expenses incurred by the System must be approved by a majority vote of the Board. Payments shall be made only upon vouchers signed by two persons designated by the Board.

Retirement board members and employees are bonded by an authorized agent representing a company licensed to do business in Massachusetts. Fidelity insurance is the only required policy coverage under Ch. 32 §21 and §23 as well as 840 CMR 17.01. The policy is designed to cover specific intentional acts such as theft, fraud or embezzlement and also specify who commits such acts, most commonly employees of the system. This coverage reimburses the system for the losses it suffers as a result of its employees' actions. It does not insure the employees for their illegal acts. Statutorily required coverage is provided by the current fidelity insurance policy to a limit of \$1,000,000 with a \$10,000 deductible issued through Travelers Casualty and Surety Company. The system also has Fiduciary coverage to a limit of \$50,000,000 under a blanket policy issued through the Massachusetts Association of Contributory Retirement Systems.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by the KMS Actuaries, LLC. as of January 1, 2014.

The actuarial liability for active members was	\$ 109,988,638
The actuarial liability for retired members and beneficiaries was	131,434,148
The actuarial liability for inactive members was	974,031
The total actuarial liability was	<u>242,396,817</u>
System assets as of that date were	<u>159,451,992</u>
The unfunded actuarial liability was	<u><u>\$ 82,944,825</u></u>
The ratio of system's assets to total actuarial liability was	65.8%
As of that date the total covered employee payroll was	\$ 38,444,353

The normal cost for employees on that date was 9.2% of payroll

The normal cost for the employer was 6.2% of payroll

The principal actuarial assumptions used in the valuation are as follows:

Investment Return: 7.75% per annum

Rate of Salary Increase: 4.00% per annum

GASB STATEMENT NO. 25, DISCLOSURE INFORMATION AS OF JANUARY 1, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Cov. Payroll ((b-a)/c)
1/1/2014	\$159,451,992	\$242,396,817	\$82,944,825	65.8%	\$38,444,353	215.8%
1/1/2012	\$137,542,466	\$220,507,572	\$82,965,106	62.4%	\$36,452,974	227.6%
1/1/2010	\$137,153,350	\$202,776,702	\$65,623,352	67.6%	\$35,050,949	187.2%
1/1/2008	\$141,345,518	\$189,265,970	\$47,920,452	74.7%	\$33,893,980	141.4%
1/1/2006	\$119,721,733	\$167,313,371	\$47,591,638	71.6%	\$30,860,696	154.2%
1/1/2004	\$103,345,000	\$151,324,000	\$47,979,000	68.3%	\$29,450,000	162.9%

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - MEMBERSHIP EXHIBIT

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Retirement in Past Years										
Superannuation	15	18	22	18	13	14	19	23	19	16
Ordinary Disability	0	0	2	0	0	0	1	0	0	0
Accidental Disability	1	2	0	1	1	0	1	0	0	0
Total Retirements	16	20	24	19	14	14	21	23	19	16
Total Retirees, Beneficiaries and Survivors	483	509	510	504	506	498	497	509	514	502
Total Active Members	809	864	749	756	724	722	733	752	780	735
Pension Payments										
Superannuation	\$5,753,538	\$6,304,554	\$6,747,579	\$7,017,161	\$7,225,990	\$7,502,306	\$7,605,855	\$8,099,544	\$8,465,037	\$8,776,584
Survivor/Beneficiary Payments	510,103	545,337	682,983	646,873	681,158	719,025	720,122	715,167	688,681	706,971
Ordinary Disability	168,956	172,095	214,979	233,257	236,783	226,075	220,552	265,207	254,974	261,998
Accidental Disability	1,985,085	1,772,322	1,802,277	1,807,370	1,833,169	1,848,884	1,856,122	1,897,412	1,890,499	1,871,740
Other	1,005,255	1,063,014	1,108,938	1,103,342	1,723,073	1,862,807	1,021,387	1,037,313	1,025,243	1,076,634
Total Payments for Year	\$9,422,937	\$9,857,322	\$10,556,756	\$10,808,003	\$11,700,173	\$12,159,097	\$11,424,038	\$12,014,642	\$12,324,435	\$12,693,927

PERAC

Five Middlesex Avenue | Suite 304

Somerville, MA | 02145

Ph: 617.666.4446 | Fax: 617.628.4002

TTY: 617.591.8917 | Web: www.mass.gov/perac